



2016 Legislative Priorities

Mississippi State Legislature

City Council

Gordon Gollott, Mayor

Mary Martin, Councilman-At-Large

Adam Colledge, Ward 5

Rusty Anderson, Ward 4

Casey Vaughan, Ward 3

Hurley Ray Guillotte, Ward 2

Johnny Jones, Ward 1

City Manager

Samantha D. Abell

City Attorney

Josh Danos

Bordis & Danos

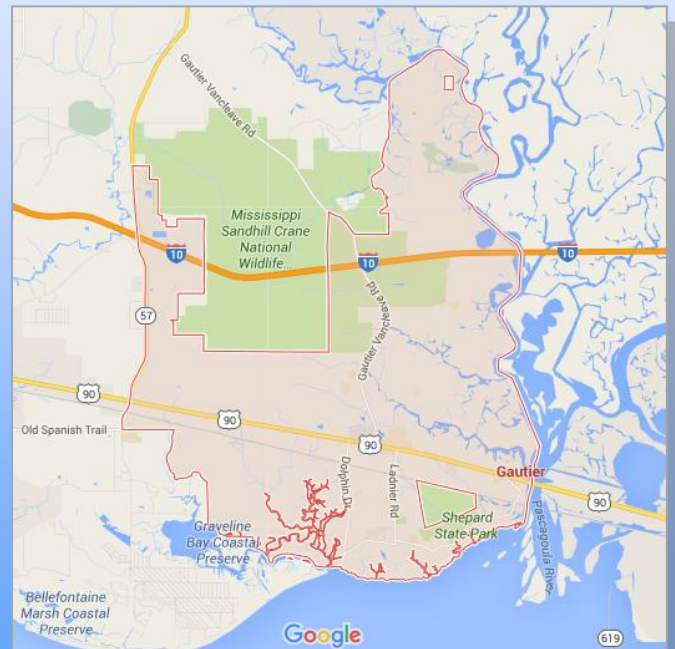
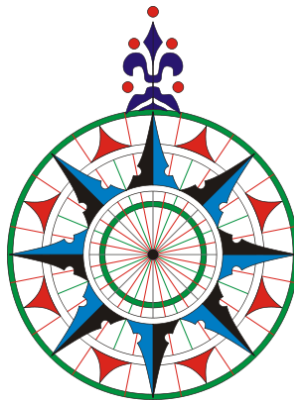


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Prepared by
The Office of the City Manager

City Hall
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CITY OF GAUTIER

MISSION

To enhance the quality of life of the citizens of Gautier and our neighborhoods by providing exceptional government services.

VISION

Gautier strives to achieve efficient and responsible service; a highly trained, competent workforce; and responsible stewardship of resources.

VALUES

⌘ PEOPLE ⌘ INTEGRITY ⌘ PROSPERITY

STRATEGIC PRIORITIES

In June 2009, the City of Gautier unanimously adopted a Comprehensive Plan that provides the foundation for the following eight strategic priorities.

The City Council annually monitors and updates the City's 5-Year Strategic Plan, which implements and measures the broad goals of the Comprehensive Plan.

These strategic priorities are reflected throughout our legislative package either by specific requests or through the City's stance on issues of regional or statewide significance.

FACTS ON GAUTIER

The City of Gautier is home to the Mississippi Gulf Coast Community College's Jackson County Campus, nationally ranked as a top ten community college and established in 1911. The MGCCC partners with Mississippi State University to offer four-year engineering degrees right here in Gautier.

Gautier enjoys one of the highest elevations along the Gulf Coast, with sprawling bluffs and also low-lying fishing villages within its 33 square miles. More than 70 miles of waterfront line Gautier, nestled between bayous, barrier islands, and the only unimpeded waterway in the United States, the Pascagoula River. Gautier is "Nature's Playground", boasting numerous parks and coastal recreation, including the 19,000-acre U.S. Fish and Wildlife's Sandhill Crane Refuge and 395-acre Shepard State Park.

Gautier lies one hour west of Mobile and less than two hours east of New Orleans, in the center of Jackson County on the Mississippi Gulf Coast. Gautier is also centrally located between the City of Pascagoula (the largest industrial area of Mississippi with thousands of high-paying manufacturing jobs), and the Biloxi-Gulfport area (with a high concentration of tourism related jobs, many in the gaming industry).

Historic Profile

The City of Gautier was incorporated in 1986. In February, 2002, the City of Gautier completed its annexation process, which tripled the size of our city. The annexation included large areas of land to the west and north of the city. The annexation increased population by approximately fifty percent and positioned the city for additional growth along the Mississippi Highway 57 (MS 57) and U.S. Highway 90 (US 90) corridors. It also placed legal requirements for expansion of city services and infrastructure to the newly annexed areas.

Government

Gautier operates under a progressive and business-friendly "Council-Manager" form, in which the city and city employees are directed by a professional city manager. Oversight is provided

by City Council with one member elected from each ward, one member elected at-large and one member elected as mayor. The mayor serves as chairman for council meetings and honorary representative of the city. Both the Mayor and the members of the City Council are elected for concurrent four-year terms, and are responsible for establishing local ordinances and adopting the annual budget.

COMMUNITY DEMOGRAPHICS (HUD and US Census)

- ✓ Population 18,603.
- ✓ Land area 33 square miles. 25% of land is north of Interstate-10.
- ✓ 22nd most populated city in Mississippi (out of 362).
- ✓ Largest ethnic groups: White (54%), Black (31%) and Hispanic (10%).
- ✓ Average household size: 2.5
- ✓ 2015 Area Median Income (family-of-four): \$61,300 HIGHEST TOP 20 IN STATE.
(Jackson County: \$49,620. State Average: \$39,031. Gulfport: \$38,704).
- ✓ Median age: 34.7 years young.
- ✓ 89% of children live in family households. Comparatively, in Jackson County and on the Gulf Coast, nearly 50% of all children live in single-parent homes.
- ✓ 75% of homes are single family, and 70% are owner-occupied.

MEDIAN INCOME

Gautier's Median Income (\$61,300) is HIGHER than:

- Pascagoula
- Moss Point
- Biloxi
- Gulfport
- Bay St. Louis
- Waveland
- State Average

SCHOOLS AND SAFETY

Gautier has the 2nd to LOWEST crime rate on the East Coast with a new Police Department and Justice Center, neighborhood police substations, and a county-wide K-9 training facility.

Nationally-ranked Blue Ribbon Pascagoula-Gautier School District. Gautier High School consistently ranks among top high schools in the nation by US News and World Reports. Elementary schools perform above coast and state average.

MISSISSIPPI GULF COAST COMMUNITY COLLEGE—JACKSON COUNTY

- ✓ Ranked TOP FIVE community colleges nationally—Gautier Campus
- ✓ Ranked 36 out of 50 Fastest Growing Community Colleges nationally, with enrollments of 10,000 or higher.
- ✓ Ranks MGCCC with the biggest colleges in the nation, including large metropolitan areas in FL, CA, NY, and MA.
- ✓ MGCCC is the only college in MS, AL, LA, TN, or AR on the top-50 list of the largest community colleges in the nation.

GAUTIER BUDGET**Annual - \$9.5 Million (approx.)**

Expenditures:

62% Public Safety
17% All Other Departments
7.5% Debt Service
6% General Expense
4% General Maintenance
3% Grant Matches

Budget Revenues:

47% Ad valorem (property taxes)
25% sales tax
28% other (Grants represent 15.5%)

The mall demolition occurred in 2014, though most tenants were closed in 2013. Impressively, overall sales tax is relatively unchanged from 2013, since other retail businesses are remaining strong. However, the demolition represents a reduction in property valuations, utility and water revenues.

Sales Tax:

FY 2006: \$3,465,957 (high point benchmark-post Katrina)
FY 2009: \$2,724,970 (national recession/mortgage crisis)
FY 2010: \$2,349,303
FY 2011: \$2,191,692
FY 2012: \$2,189,137
FY 2013: \$2,262,405 (Trend upwards)
FY 2014: \$2,120,291 (Mall demolition)
FY 2015: \$2,148,665

MILLAGE RATE (2014)-- Gautier 2nd to Lowest in Jackson County

- 66.7 mils - OS School District
- 50.1 mils - Moss Point
- 46.9 mils - Pascagoula-Gautier School District
- 42.1 mils - Pascagoula
- 37.3 mils - Gautier
- 21.8 mils - Ocean Springs

TOP FIVE REGIONAL INITIATIVES FOR NEXT FIVE YEARS**1. ECONOMIC DEVELOPMENT—3-PRONG CLUSTER INDUSTRY STRATEGY**

For maximum return, the City focuses its efforts on developing Interstate-10, Town Center and public waterfront.

The City has a Town Center Master Plan, a Town Commons Master Plan (the Town Commons is the urban central park amenity in the Town Center), Medical and Commerce Interstate-10 Corridor Roadway Network Plan, and also RESTORE project plans for all three targeted clusters including the waterfront.

Project plans for the waterfront include the restoration of Graveline Bayou for a vibrant oyster and shrimping industry, and developing public access by a Pascagoula Riverwalk, water access to Shepard State Park, and creating a public space at Swetmans Beach.

2. ENHANCE AND PROMOTE GAUTIER'S PARKS AND RECREATIONS PROGRAMS.

The City is committed to implementing the US Fish and Wildlife master plan for the city-managed, 395-acre Shepard State Park including an Olympic-level archery range, wildlife trails, and recreational fishing and birding. The City also commits grant funds to George W. Martin City Park, and the Town Commons.

3. SUPPORT "ONE COAST" FOR COLLABORATION TO ENSURE RATES STAY LOW AND THE COAST STAYS UNIFIED.

The City supports the recommendations of the One Coast Mayors Forum including the Coast-wide Broadband Initiative and also revisions to the Gulf Coast Region Utility Act to ensure that the boards governing regional water utility authorities are comprised of elected mayors and supervisors for unincorporated service areas (see legislative priorities).

4. MODERNIZE IN TECHNOLOGY.

Leverage technology of medical facilities and local education institutions such as the MGCCC campus in order to create a non-profit business incubator in the Town Center. Offer public wi-fi at all city parks and facilities.

LEGISLATIVE PRIORITIES

General Principles

Gautier supports legislation to foster economic prosperity along the Gulf Coast and protect the City's ability to provide basic municipal services to its citizens.

- Defend against state revenue reductions or legislation that hampers the City's ability to extend basic city services.
- Protect shared state revenue sources available to the City, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.

City of Gautier 2016 Legislative Priorities

1. Gautier opposes any new mandates that draw on City resources, and opposes any further shifting of costs or services from federal and state government to cities.
2. Gautier requests economic development allocations from BP Restore funds for critical economic development projects with projected near-term returns. Currently, Gautier faces two areas of growth pressures requiring assistance for new roadways and infrastructure.
3. Gautier supports an overhaul to the 1972 Growth Management Act as it relates to narrow requirements for the rezoning of property. Changes are necessary in the interest of sustainability and economic development.
4. Gautier supports special legislation to create a pilot program for the elimination of blight and to encourage the redevelopment of commercial and residential areas. The "Community Redevelopment and Restoration Act", provides pilot communities the authority to rebate redevelopers a portion of the increase in the local government's new sales tax generated from the project.
5. Gautier supports legislation to repeal Senate House Bill No. 3100, Section 42 Housing Law.
6. Gautier supports a legislative amendment also requested by the City of Pascagoula regarding statutory clarification for the collection of credit card fees.
7. Gautier supports all "One Coast Mayors Forum" Resolutions and Recommendations as provided herein.

LEGISLATIVE PRIORITIES

- 1. Gautier opposes any new mandates that draw on City resources, and opposes any further shifting of costs or services from Federal and State Government to cities.**

Just days before Christmas, the Justice Department announced suspension of its “equitable sharing” program. In a letter to state, local, and tribal law enforcement agencies, the department said it is deferring payments to law enforcement agencies because of cuts to its budget, deepened in the spending package passed by Congress earlier this month. Local governments rely on the “assets and forfeiture funds” for critically-needed programs such as K-9 policing. Gautier asks that our State and Federal delegation fight to protect this important resource for local law enforcement.

Additionally, Jackson County has received notice that its Department of Corrections Work Release Program may be suspended, which will negatively impact service for local governments who rely on inmates. The financial impact is in the millions, and the hiring of comparable part-time workers is not feasible or affordable. As our rights-of-way and drainage way suffer the consequence of litter and neglect, the economic impact will far exceed any short-term cost-savings plan.

- 2. Gautier requests economic development allocations from BP Restore funds for critical economic development projects with projected near-term returns. Currently, Gautier faces two areas of growth pressures requiring assistance for new roadways and infrastructure.**

Priority #1 (RESTORE Project) Gautier Medical/Commerce Corridor

Allen Road is a dead-end service road just north of Interstate-10, and the first road east of Highway 57 at the interstate exchange. A 16-acre medical campus is now under construction, with plans to open this summer at the entrance to Allen Road. The development is larger than Cedar Lake in Biloxi, owned by the same doctor group. At the end of Allen Road is B&D Plastics, a targeted industry award-recognized by MDA, which has grown three of the last five years on twenty acres and has plans to build yet another facility on-site immediately. B&D Plastics requires heavy manufacturing and distribution of plastic vessels which reach over six stories tall. These trucks will be sharing the same narrow curve as motorists to the new medical campus, creating a bottle neck that has stalled prospective growth such as hotels, until new roads are established.

Property owners are willing to donate lands for the roadways. Other areas will require acquisition.

Gautier annexed the Interstate-10/Highway 57 area in 2002. In the last five years, this area has been the focus of rezoning, property acquisitions, and master-planning. The Mississippi Department of Transportation, Gulf Regional Planning Commission, Mississippi Development Authority, and Jackson County are all partners in the city's I-10/HWY 57 Roadway Network Master Plan. MDOT is widening Highway 57, with a new entryway at Robinson Still, and the County is partnering with Gautier via an economic development loan from MDA to boulevard and beautify the entryway on Allen Road. However, it is deficient for one road to serve this area and planned roadway construction is needed.

Priority #2 (RESTORE Project) The Town Center Street Grid Project

\$3.4 million T-connector (\$2.1m east-west roadway and \$3.3m north-south roadway)

\$7.5 million street grid all-phases (includes T-connector)

The Town Center Street Grid Project is a regional high priority for the fact that the proposed "T"-connector roadway will provide infrastructure for the expanding commercial land fill as well as a developing mixed-use traditional town center, including off-campus housing for nearby the MGCCC campus, and roadways for light industrial uses to by-pass nearby civic, residential and commercial uses.

Currently, Jackson County's major landfill operates at the end of an insufficient dead-end road, and there are imminent plans to expand and include a transfer station, with requests to the city for permitting. The dead-end, narrow road has long been inadequate to serve the east coast area. Plans for expansion are necessary, but threaten public safety as well as imminent economic development plans. The "T" connector's east/west by-pass will allow easy interstate access and safe travels away from nearby uses.

Gautier asks for a total \$7.5 million to construct its street grid. Since 2012, Gautier has succeeded in the following to prepare the way for this project:

- The City has acquired the 32 acres directly north of the mall, surrounded by civic and commercial uses, including all rights of way not located on the property.
- Waste Pro Inc. has fully funded the "T" connector survey work and wetlands delineation.
- The City has utilized state and federal grant funding to complete further wetlands delineations, clear property, and complete the master plan.
- The Gulf Regional Planning Commission has added the "T" connector roadway to the Long Range Transportation Plan, thereby making the project eligible for MDOT funding.
- Natural spring-fed tributaries that feed the Mary Walker Bayou are being restored, as an attractive feature for the master planned town center.

Priority #3 (RESTORE project) The Town Commons

\$1.4 million amphitheatre, park lawns and parking/\$6.1 million all phases

The Town Commons Project and the Town Center Street Grid Project are together two components of Gautier's Town Center Revitalization Master Plan. The plan incorporates 2.5 miles of roadway, 1.3 miles of multi-use pathway, and a transit link in a 96-acre area to link retail, residential and recreational areas. The public infrastructure component includes roadways and lighting that will facilitate the construction of retail, industrial, and mixed-use commercial developments including off-campus housing for the adjacent MS Gulf Coast Community College (MGCCC) and a business incubator in partnership with MSU.

3. Gautier supports an overhaul to the 1972 Growth Management Act as it relates to requirements for the rezoning of property, in the interest of sustainability and economic development.

An overhaul to Mississippi's Growth Management Act is long overdue, considering how both the world economy and local community development practices have changed in the last forty years. Rezoning is only one component of the GMA that needs updating. However, this law has become a choking point for smart growth. The solution is to allow economic development to be a legally permissible justification for the "need" to rezone, if the rezoning request is made by the property owner, and not government.

Furthermore, rezoning property *only* after there is a change in the character of the land is reactionary; it is the stark opposite of sound planning. For the purposes of conservation and sustainability, governments must be permitted to rezone property prior to a change in the character of the land.

State law requires either an error in the initial zoning; a change in the character of the use of the land; or some compelling "need" before existing zoning may be changed. The Mississippi Supreme Court has found that the law does not allow a municipality to consider the finding of "need" to be justified by economic development. This greatly hinders private property rights. Governments base their Official Zoning Map on a long-range comprehensive plan which does not provide for a response to unforeseen opportunity. Governments cannot anticipate physical, cultural, and economic obstacles or opportunities. Government should not be dictating the free market by rigid laws which do not allow for consideration of free market opportunities. Private property owners should be able to request a rezoning public hearing in consideration of the best use of their property. However, existing law prohibits most privately-initiated rezoning requests because a government is unclear how to justify "need" by data and analysis, if economic development is not a consideration.

- 4. Gautier supports special legislation to create a pilot program for the elimination of blight and to encourage the redevelopment of commercial and residential areas. The “Community Redevelopment and Restoration Act”, grants pilot communities the authority to rebate redevelopers a portion of the increase in the local government’s new sales tax generated from the project.**

The purpose of the pilot legislation is to utilize these cities as a testing ground for measuring the “before and after” applications of economic revitalization incentives to eliminate slum and blight. The pilot program allows for “home rule” local decision-making to address community redevelopment needs in such instances where a Redevelopment Authority has been established.

The sales tax rebate does not affect school or state share of taxes. The rebate program merely allows for the Redevelopment Authority to enter into a development agreement to rebate a developer a percentage of costs based on the new sales tax generated by the project. The project must be a redevelopment project within in area recognized as “blighted”. The remaining portion of the increase in sales tax may be used to revitalize areas within the established redevelopment area.

Currently municipalities have no way to directly incentivize commercial developers to renovate existing privately owned buildings for reuse/redevelopment. This is not the case for most other states. Not being able to attract this type of investment results in:

- Increased debt burden by cities utilizing bonds and loans as opposed to development agreements to address community development needs
- Loss of commercial development projects
- Increase in commercial blighted properties/vacant buildings
- Increase in sprawl, as it is more financially feasible to construct new buildings as opposed to redeveloping existing commercial buildings.

- 5. Gautier supports legislation to repeal Senate House Bill No. 3100, Section 42 Housing Law.**

For the last eight years, local governments have struggled under the burden of an unfair and expensive law that allows some of the most valuable properties in our counties to escape payment of local property taxes. The continuing situation has serious ramifications for county and city budgets, on school district funding and on the property tax burdens of other hard working local taxpayers.

These federally subsidized developments (called Section 42 properties because their owners receive extremely valuable federal subsidies under Section 42 of the IRS Code in exchange for building them) provide low and moderate income housing. In 2005, the Mississippi Legislature passed a law giving the owners of these multi-million dollar developments another large tax benefit resulting in their payment of little, if any, local property taxes. The bottom line is that for the last eight years, these taxpayers’ unfair avoidance of local tax

liability has resulted in a substantial loss of revenue to local governments, from hundreds of thousands to millions of dollars, depending on the county in question. As a consequence, the tax breaks have caused an unfair and disproportionate shifting of tax burdens in counties and cities across the state to single family homeowners and less valuable multi-family housing properties, some of which are losing tenants to the federally subsidized properties and struggling to remain in business. Jackson County needs your help to change this law.

Local governments have had enough. The day is fast approaching when local millage rates will have to be raised in order to provide basic services like road maintenance, police and fire protection and public education to the residents of these developments whose owners do not pay a proportionate share of local taxes, and in some cases no taxes, to help pay for these services.

As a result of the recent court decision, Gautier will be required to refund these section 42 housing developers \$101,885.00 and an additional \$833,000.00 over the life of the project, or \$32,000 per year.

Counties, municipalities and local school districts are once again marshaling resources to convince the legislature to correct this inequity and restore tax fairness to our local communities. We call on our local legislators to vote to repeal the 2005 law that allows Section 42 developments to avoid payment of local taxes that other, less financially able taxpayers are being required to pick up. Property taxes should be based on the local property's true value determined by taking into consideration all factors that lend value to that property. Preventing that in all cases but in the case of these federally subsidized properties is an injustice that can no longer be tolerated. Our legislators must be responsive to this unified cry for help from local governments and schools across the state if they are to retain reputations as supporters of their local constituents and their interests rather than the interests of wealthy developers.

- 6. Gautier supports an amendment also requested by the City of Pascagoula regarding statutory clarification for the collection of credit card fees.**

Amendment Request

MISSISSIPPI CODE of 1972

TITLE 17. LOCAL GOVERNMENT; PROVISIONS COMMON TO COUNTIES
AND MUNICIPALITIES
CHAPTER 25. GENERAL PROVISIONS RELATING TO COUNTIES AND
MUNICIPALITIES

Miss. Code Ann. § 17-25-1 (2014)

§ 17-25-1. County boards of supervisors and municipal governing
authorities authorized to allow payment of taxes, fees and other accounts

receivable and payment for retail merchandise sold by county or municipality by credit card, charge card, debit card, etc.

The board of supervisors of any county and the governing authorities of any municipality may allow the payment of various taxes, fees and other accounts receivable to the county or municipality, and the payment for retail merchandise sold by the county or municipality, by credit cards, charge cards, debit cards and other forms of electronic payment, in accordance with policies established by the State Auditor. Except as otherwise provided in this section, any fees or charges associated with the use of such electronic payments shall be assessed to the user of the electronic payment as an additional charge for processing the electronic payment, so that the user will pay the full cost of using the electronic payment. However, a county or municipality shall not charge the user any additional amount above the processing fee on each transaction. For purposes of this section, the term "accounts receivable" includes, but is not limited to, judgments, fines, costs and penalties imposed upon conviction for criminal and traffic offenses. A county or municipality may bear the full cost of processing such electronic payments for retail merchandise sold by the county or municipality.

While the amended statute above does give authorization to collect debts due to the county or municipality, it could stand to include further clarification of how the interchange fees which are normally paid by the merchant (in this case, the City) will be assessed to the cardholder. Interchange fees vary according to fluctuations in the market and among credit card companies, which will lead to the cardholder or the merchant bearing an additional cost of doing business. The City of Gautier requests that our state legislature would consider amending this statute to include a defined rate which is equitable and constant at which fees are to be assessed to the cardholder.

7. Gautier supports all "One Coast Mayors Forum" Resolutions and Recommendations as provided herein.

Specifically, Gautier supports: A resolution endorsed by local governments the One Coast Mayors Forum requesting 80% of BP Settlement Funds be allocated to the Coast for Mayor-Endorsed Economic Development Projects; and also

A resolution endorsed by local governments and the One Coast Mayors Forum supporting a Coast-Wide Broadband Perimeter Loop; and also

A memorandum and Request for Changes endorsed by local governments and the One Coast Mayors Forum for Regional Water Utility Authorities to be comprised of elected mayors and supervisors in unincorporated areas for the purpose of transparency and accountability, as well as other changes.

SUPPORTING DOCUMENTS

Order authorizing the City Manager to forward the 2016 Legislative Priorities Packet to Mississippi Legislators

Resolution endorsed by local governments the One Coast Mayors Forum Requesting 80% of BP Settlement Funds be allocated to the Coast for Mayor-Endorsed Economic Development Projects

Resolution endorsed by local governments and the One Coast Mayors Forum Supporting a Coast-Wide Broadband Perimeter Loop

Memorandum and Request for Changes endorsed by local governments and the One Coast Mayors Forum for Regional Water Utility Authorities to be Comprised of Elected Mayors and Supervisors in Unincorporated Areas for the purpose of transparency and accountability, as well as other changes.

Resolution for the Repeal of Senate Bill No.3100, Section 42 Housing Law

A Request for Extension of House Bill 1722

Thank you for your support.